

## Status of Mayor and City Council Referrals

### 2004-2005 Proposed Budget

<b>Referral</b>	<b>Resolution</b>
Provide a List of 100 Vacant General Fund Non-Uniform Public Safety Positions to be Eliminated Immediately	Report provided. General Fund 100 Vacant Positions Elimination Plan approved by City Council on March 23, 2004.
Present Budget Reduction Proposals for Consideration for Early Implementation	2004-2005 Proposed Operating Budget: Accelerated Proposals memorandum agendaized for City Council consideration on May 4, 2004.
Use Economic Uncertainty Reserve to Help Balance General Fund Budget if No Salary and Benefit Increases for One Year is Agreed to by All Bargaining Units by April 1, 2004	By April 16, only one bargaining unit accepted no salary or benefit increases for one year. Therefore, use of the Economic Uncertainty Reserve is not recommended in the Proposed Budget General Fund balancing strategy. A use of a portion of the Economic Uncertainty Reserve is, however, part of the Compensation/State Budget Impact Contingency Plan detailed elsewhere in this document.
Explore Opportunities to Accelerate Transfer of Employees from General Fund to Special Fund	Accelerated transfers have been approved on a case-by-case basis as part of the Hiring Freeze Committee process.
Supply a Plan to Defer/Exchange New Facilities Openings	Recommendations to defer facility openings where significant operating and maintenance costs would occur are provided in the Library, Parks and Community Facilities, and Public Safety Capital Programs. Details can be found in the 2004-2005 Proposed Capital Budget document.
Use Workers Compensation Reserve to the Fullest Extent Possible to Fund Employee Training	Under review, but no specific recommendations included in the Proposed Budget.
Explore Establishment of a New Emergency Response ("911") Fee	A recommendation to implement such a fee is an integral part of the Administration's Proposed General Fund budget balancing strategy. An abbreviated discussion of this fee is included in the General Fund Revenue Estimates section of this document. A Manager's Budget Addendum, with a more detailed discussion, will be provided later

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	in the process.
Explore Ways to Lower City Costs for Employee Health Care Options	Options to accomplish this goal will be part of the negotiation process with all City bargaining units during this year's cycle of negotiations.
Work with Other Counties/Jurisdictions to Ensure No Overlap in Services Provided	Active discussions are underway with other jurisdictions in the County, with San José represented by the Assistant City Manager. An informational memo will be distributed as a Manager's Budget Addendum during the budget process.
Focus on Protecting Vital Core City Services	One of the key criteria used to craft the Administration's budget strategy was the preservation of core City services.
Explore New Revenue Sources	In addition to the Emergency Response Fee already discussed, the balancing strategy includes recommendations involving a number of other revenue options. These options are described in general terms in the City Manager's Budget Message, and in more detail in the General Fund Revenue Estimates section of this document.
Focus on Using Resources to Stimulate Local Economy/Job Creation	Balancing strategies have been formulated with the intent to preserve, to the extent possible, services and programs focused on economic development and job creation.
Do Not Enter into New Commitments that Can Not be Funded	No new program commitments are recommended in the Proposed Budget, unless the commitments have their own funding source (e.g., grant reimbursements).

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Continue to Preserve a Portion of Reserves for Future Deficits	The Proposed General Fund balancing strategy recommends use of only a portion of the 2004-2005 Future Deficit Reserve and, as discussed above, recommends preserving all of the \$15.8 million Economic Uncertainty Reserve for future economic issues. The Compensation/State Budget Impact Contingency Plan, however, includes recommendations to utilize the remainder of the 2004-2005 Future Deficit Reserve, but less than half of the Economic Uncertainty Reserve. In light of the forecasts for future year shortfalls, it is recommended that under no circumstances should all of both of those reserves be committed to balancing the 2004-2005 budget.
Reduce Vacant Positions, Redeploy Staff, and Save Filled Positions as Much as Possible	One of the key strategies employed in the Proposed Budget has been to take advantage of the many vacancies accumulated as the result of the hiring freeze that the City has maintained since fall 2001. Although this will certainly lessen the number of filled positions that will be affected, the severity of the financial situation is such that approximately 188 filled positions are recommended for elimination in this Proposed Budget.
Streamline, Innovate, and Simplify Operations	Streamlining and simplification of processes have been incorporated across all departments in formulating proposed expenditure reductions.
Be Open to Alternative Cost-Effective Service Delivery	All programs were evaluated for alternative service delivery methods. A number of significant service delivery alterations are included in this Proposed Budget. Included are actions to merge and/or reorganize service delivery models, recommendations to bring programs in-house where that is more cost-effective, and to contract out services where appropriate and within the context of existing bargaining unit agreements.

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Work With Employees to Limit Layoffs	Discussions are ongoing with all bargaining units to develop options for controlling payroll costs in order to limit both service and employee impacts. In addition, suggestions for cost cutting measures have been solicited from employees in a variety of ways. A large number of suggestions were received, evaluated and, where appropriate, incorporated into the Proposed Budget balancing strategy.
Set Fees and Charges to Recover Costs	Where feasible, all fees and charges are recommended at levels that would result in full recovery of program costs. A detailed discussion of the fee recommendations will be included in the 2004-2005 Fees and Charges Report to be released under separate cover.
Resident Preference for Fees and Charges	Resident preference fee structures have been considered and included where appropriate.
City Department Budget Reductions Should Be Applied at the Same Level as Community-Based Organization (CBO) Budget Reductions	The reductions recommended for CBOs have been set at the exact percent average of the reductions for all non-public safety City Service Areas (12.2%).
Develop a Balanced Budget Assuming No State Impact	The Proposed Budget includes a Tier One budget plan which balances the approximate \$69.8 million local projected shortfall. As directed, this Tier One strategy assumes no specific impact from State budget balancing actions.
Do Not Bring Forward Reduction Proposals Explicitly Rejected Last Year	Reductions explicitly rejected as part of the City Council's acceptance of the Mayor's 2003-2004 Final Budget Modifications Message have not been included in this Proposed Budget.

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Develop a Prioritized Budget Plan for State Impact	The Proposed Budget includes a “Tier 2” – 2004-2005 Compensation/State Budget Impact Contingency Plan that contains a prioritized listing of recommended actions totaling \$35 million, to be used either to offset State budget impacts, or to offset employee compensation increases which exceed the assumptions used in the Proposed Budget.
Reserve Funds to Adequately Fund Each Appointee’s Office and the Mayor/City Council Offices, with an Across-the-Board Reduction Equal to the Average Reduction Proposed for Non-Public Safety Departments	The Proposed Budget contains allocations for each Appointee Office as well as the Mayor/City Council Offices based on reductions that have been calculated at the percentage reduction level of all non-public safety City Service Areas (12.2%).
Maximize Reductions to Ongoing Programs	The Proposed Budget contains a balanced set of proposals which maximize ongoing reductions/revenue enhancements to the extent possible, while still preserving as much of the City’s core services. The Proposed Budget was balanced with 77% ongoing actions.
To the Extent Possible, Recommend Fee Increases Rather than Program Reductions	As discussed above, the Proposed Budget includes a series of fee increases, where they were determined to be appropriate, and would not result in undue negative impacts on stakeholders. Included are recommended increases in the Recycle Plus, Storm Sewer, Sewer Service and Use Charge, and Municipal Water fees, along with increases necessary to maintain cost recovery levels in fees included in almost all departments. The details of most of these fee revisions can be found in the 2004-2005 Proposed Fees and Charges Report that will be released under separate cover.

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Pursue Grant Opportunities to Support Programs in Priority Areas	Grant opportunities for priority areas continue to be actively explored. The Proposed Budget does not contain any reductions that would cause the City to lose grant funding or prevent leveraging funds from other sources.
Include Council Appointees Budget Reduction Proposals Under the Strategic Support CSA	The Proposed Budget utilizes the directed format.
Focus on Mayor/Council's Six Core Priorities as described in the Mayor's March Budget Message	The Core Priorities were a cornerstone criteria used to formulate Proposed Budget strategies.
Proposals Must Quantify Level of Service, Impact on Position Reductions, and Potential Cost Savings	All recommended proposals include projected performance impact information.
Provide Council Members with Schedule for Cost-Saving Ideas	A schedule for this process has been provided to City Council Offices under separate cover.
Evaluate Level of Airport Shuttle Service/Repairs	An evaluation was performed and appropriate funding levels recommended in the Proposed Budget.
Expand Abandoned Vehicle Spotter Program Citywide	The Proposed Budget includes an expanded abandoned vehicle spotter program with no additional resources required.
Implement a Fire Prevention Fee Program with Re-Inspection Fees for Facilities with Chronic Fire Safety Problems	This change has been addressed in the Fire Fee Program.
Develop a Strategy to Use the Former Main Library to Expand the San José Museum of Art	An informational memo will be distributed as a Manager's Budget Addendum during the budget process.

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Analyze Industry Preferred Levels and Costs for the Building Fee Program	Analysis complete and recommendations developed in collaboration with industry representatives. The details of the Proposed Budget fee structure are described in the 2004-2005 Fees and Charges Report that will be released under separate cover.
Proposed Public Safety Reductions Should Not be Offset by Overtime Expenditures	Proposed public safety reduction proposals were formulated to utilize only savings that would not be offset by additional overtime requirements.
Charge Fees to Other Jurisdictions for Non-Emergency Responses to Mutual Aid	A new fee for this purpose is recommended as part of the Public Safety Fees and Charges Program as described in the 2004-2005 Fees and Charges Report to be released under separate cover.
Evaluate the Possibility of Public Safety Grant Writing Consolidation	An informational memo will be distributed as a Manager's Budget Addendum during the budget process.
Reduce Patrol Staff Only as a Last Resort	No reductions to Police Patrol Staff are recommended in the Tier One budget balancing strategy. The Compensation/State Budget Contingency Plan does, however, include proposals (prioritized last) that would reduce patrol staff capacity.
Develop a Strategy to Ensure the City is Ready to Handle the Transfer of Cellular 911 Calls	A strategy to handle this transfer has been developed. An informational memo regarding this issue will be distributed as a Manager's Budget Addendum during the budget process.
Partner with Other County Jurisdictions to Provide Police/Fire Academies and Reduce Costs	Issue is under review. An informational memo will be distributed as a Manager's Budget Addendum during the budget process.

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Evaluate Metro Cross-Training Opportunities for Patrol Officers	As part of this budget process, the Police Department considered additional cross-training opportunities for patrol officers to respond to incidents typically handled by the Metro Unit. Patrol officers are already trained to handle the type of Metro Unit activities such as crowd control, street level narcotics enforcement, prostitution enforcement, and surveillance. The Department believes that the advantages of continuing to maintain a separate unit allows the development of operational strategies and team coordination that would not otherwise be developed by using patrol officers solely for this function.
Evaluate Shifting Police Department Permit Unit Responsibilities to Other Departments	This issue was evaluated, but not recommended in the Proposed Budget. Many of the permits administered by the Police Department require the type of background checks that can only be conducted by Police Department sworn personnel.
Raise High Tech Investigation Unit Threshold for Triggering Investigations	The High Tech Investigation Unit threshold for triggering investigations has been raised as part of the Proposed Budget.
Use Patrol Staffing Software to Develop Opportunities for Officer Deployment Efficiency	An informational memo will be distributed regarding this issue as a Manager's Budget Addendum during the budget process.
Explore All Fire Alternative Apparatus Deployment Strategies to Reduce Costs	A complete review of Fire apparatus deployment strategies and potential cost saving modifications was conducted as part of this budget process. A number of proposals to alter deployment of certain specific apparatus are included as part of the Proposed Budget. A full discussion of this issue can be found in the Public Safety CSA section of this document.



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Evaluate the Efficiency of the Dedicated Hazardous Incident Team	In conjunction with the City Auditor, the Budget Office and the Fire Department conducted a full review of the utilization and potential modifications to current Hazardous Incident Team resources. The City Auditor has issued a separate report on this issue. No modifications to the current Team complement is included in the Tier One budget balancing plan. The Compensation/State Budget Impact Contingency Plan does, however, contain a proposal to reduce the resources allocated for this unit.
Reductions in Anti-Graffiti and Anti-Litter Programs Should be in Terms of Response Time Only	A reduction to the Anti-Graffiti program is recommended in the Proposed Budget. The reduction will impact response times of the current program, but quality of eradication efforts should not be adversely impacted.
Maintain Basic Senior Services with Consideration for Their Future Needs	No core senior citizen services are significantly impacted in the Proposed Budget balancing strategy.
Develop a Strategy to Identify Solutions that Increase High School Graduation Rates	An informational memo will be distributed regarding this issue as a Manager's Budget Addendum during the budget process.
Literacy Programs Should Retain Smart Start Focus and Explore Partnering/Grant Funding Opportunities	Literacy Programs will retain Smart Start focus. Partnerships and grant opportunities are being actively pursued.
Explore Alternate Ways of Funding the Schools/City Collaborative Staff Position	A recommendation to eliminate the City funding for this position is included in the Proposed Budget. Discussions continue with school representatives concerning alternate funding options.

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Evaluate Library Media Distribution to Reduce Costs	A proposal to eliminate the service currently provided where media (DVDs, CDs, etc.) items are both held and transferred to the branch of the patron's choice is included in the Proposed Budget. Patrons will still have full access to media items at any branch they choose to visit.
Reduction of Branch Libraries Hours of Service and Public Access Should be Spread Among All Branches to Minimize Impact on Customers	No reductions to Branch Library hours are included in the Tier One budget balancing strategy. The Compensation/State Budget Impact Contingency Plan, does, however, include a proposal to reduce branch library hours. This reduction would be structured to minimize customer service impacts to the extent possible.
Keep Child Traffic Safety Program Intact	The Proposed Traffic Capital Budget includes funding to keep intact the Street Smarts Public Education Campaign and the traffic safety in schools program.
Evaluate Implementation of New Energy Efficient Streetlight Technology	An informational memo regarding this issue will be distributed as a Manager's Budget Addendum during the budget process.
Evaluate Implementation of New Parking Meters Technology	An informational memo regarding this issue will be distributed as a Manager's Budget Addendum during the budget process.
Provide a Comparison of Neighboring Cities' Citation Fees Including Recommendations for Consequent San José Fee Adjustments	Fee comparison has been performed and a proposal to increase some citation fees to bring them to levels common in neighboring cities is included in the Proposed Budget. A discussion of the specifics of the comparisons and fees to be increased will be provided in the 2004-2005 Fees and Charges Report to be released under separate cover.

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<p>Vehicle Fleet Issues</p> <ul style="list-style-type: none"> <li>• Mileage Reimbursement vs. City Vehicles</li> <li>• Replace Unmarked Police Vehicles Using Regular Fleet Schedule</li> <li>• Rotate Marked Vehicles to the General Fleet</li> <li>• Assign New Marked Vehicles to the General Fleet</li> <li>• Reduce Costs in Fleet Management</li> <li>• List Recommendations for Vehicle Elimination</li> <li>• Environmental Procurement for Vehicles</li> </ul>	<p>An informational memo regarding the various issues that have been raised through recent audits of the vehicle fleet program will be distributed as a Manager's Budget Addendum during the budget process.</p>
<p>Consolidate Cashier Services for "Recycle Plus" Whenever Possible</p>	<p>A recommendation to consolidate cashiering functions for the Recycle Plus program has been included in the Proposed Budget.</p>
<p>Evaluate Consolidation of Fire Inspection Billing For Streamlining and Cost Saving Opportunities</p>	<p>Potential consolidation options still under review. No specific recommendations for budgetary changes that might be required for such a consolidation, however, have been included in this budget.</p>
<p>Implement a Business Tax Amnesty Program</p>	<p>A Business Tax Amnesty Program is included in Proposed Budget.</p>